In addition, stock options are, from time to time, offered to foreign employees.

Recommendations 25 and 26

These recommendations which concern the instruction of senior officers to review financial operations from the standpoint of their effect on the U.S. balance of payments and also that U.S. corporations, where feasible, should finance their foreign operations in a manner which minimizes the outlay of cash, are considered together. Some of the significant responses to these questions are as follows:

A major responsibility of senior personnel is to examine all new financing proposals from the standpoint of their effect on the U.S. balance of payments. It has been the company's policy for many years for all investment abroad to be financed through foreign borrowings and earnings; this policy will be continued in the future. Recent statement by President Johnson and amplification by Secretary Connor makes it more important than ever that all American companies cooperate to the fullest extent in this effort.

Prior to February 1965 little attention was paid to the problem. Henceforth it will receive highest level attention, and maximum foreign financing will be sought for most major projects.

For a long time the company has been alert to the U.S. balance-of-payments implications of its worldwide investment program. In this respect, the company is very conscious of the significant positive contribution its overseas operations made to the U.S. balance.

The company has sought all along to maximize the contribution it can make to the American balance of payments, and has carefully reviewed its foreign financial operations with this objective in mind. The company intends to support fully the new program recently outlined by President Johnson.

Company has made a definite point of instructing all the groups in company that are involved in this decision area, both in the United States and abroad. The company has reexamined and will continue to reexamine its policies and practices controlling international transactions in an effort aggressively to do its part in solving the U.S. balance-of-payments problem.

The company is participating in the President's voluntary program to improve the U.S. balance of payments. One of the ways in which they are contributing to the program is to review carefully any new financing of overseas operations. Whenever practical, financing will be obtained abroad and every effort will be made to minimize cash outflows which would hurt the U.S. balance of payments.

Company has been cooperating fully with the President's voluntary program to reduce the U.S. balance-of-payments deficit.